

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL EXPEDITED PACKAGE SERVICES 5
(MC2016-15 AND CP2016-20)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-50

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING ERRATA
CONCERNING FINANCIAL WORKPAPERS INCLUDED IN NOTICE OF
UNITED STATES POSTAL SERVICE OF FILING A
FUNCTIONALLY EQUIVALENT GLOBAL EXPEDITED PACKAGE SERVICES 5
NEGOTIATED SERVICE AGREEMENT AND APPLICATION FOR NON-PUBLIC
TREATMENT OF MATERIALS FILED UNDER SEAL
(December 6, 2016)**

The Postal Service hereby gives notice of filing errata concerning the financial workpapers included in the filing of a Global Expedited Package Services (GEPS) 5 contract, which the Postal Service filed in this docket on November 30, 2016.¹

The financial workpapers that the Postal Service previously filed in this docket included the air conveyance rates inaccurately. The treatment of air conveyance rates has been corrected in the financial workpapers that the Postal Service is filing today under seal in this docket.

Included with this filing is a redacted version of the corrected financial workpapers, as well as the certified statement required by 39 C.F.R. § 3015.5(c)(2) for the contract (Attachment 1 to this notice). The Postal Service incorporates by reference the application for non-public treatment that was filed in conjunction with the Postal

¹ Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 5 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2017-50, November 30, 2016.

Service's November 30, 2016, notice in this docket.² The application protects from disclosure the information in the financial workpapers that the Postal Service is filing today with this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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² *Id.* at Attachment 4.

Certification of Prices for the Global Expedited Package Services 5 Contract with [REDACTED]

I, Steven Phelps, Manager of Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Expedited Package Services 5 Contract with [REDACTED]. The prices contained in this Contract were established in accordance with the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued March 22, 2011 (Governors' Decision No. 11-6), which established prices by means of price floor formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of in excess of the minimum required by the Governors' Decision, exclusive of pickup on demand and international ancillary services fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Expedited Package Services 5 Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven Phelps